



**HID GLOBAL CORPORATION
CREDENTIAL PROGRAM LICENSE AGREEMENT**

This CREDENTIAL PROGRAM LICENSE AGREEMENT (this "Agreement") is made as of _____, 20__ (the "Effective Date"), between HID Global Corporation, having a place of business at 611 Center Ridge Drive, Austin, TX 78753, and its Affiliates (collectively, "HID") and _____, having a place of business at _____ ("Licensee"). In this Agreement, HID and Licensee may be referred to individually as a "Party" or collectively as the "Parties."

RECITALS

WHEREAS, Licensee seeks authorization for the use of certain credential formats (hereinafter referred to as "Credential Formats" or "CF") in connection with its participation in HID's Corporate 1000, University 1000, or iCLASS Elite programs, or any other like card program conducted by HID (individually, a "Program" and collectively, the "Programs"); and

WHEREAS, HID wishes to provide Licensee with authorization to use certain Credential Formats as part of Licensee's participation in a Program;

NOW THEREFORE, in consideration of the promises and the mutual agreements contained herein, the sufficiency and receipt of which are hereby acknowledged, the Parties hereby agree as follows:

DEFINITIONS

Capitalized terms in this Agreement have the following meanings:

"Affiliate" means any legal entity which directly or indirectly controls, is controlled by, or under common control with, any of the Parties, for so long as such control exists. For purposes of this definition, "control" shall mean ownership or control, either directly or indirectly, of more than fifty percent (50%) of the voting rights of such entity.

"Authorized Service Provider" means any third party reasonably acceptable to HID that is appointed and authorized by Licensee in conformance with the terms and conditions of this Agreement to receive the Credential Format for purposes of providing implementation services to Licensee. The Licensee identifies its Authorized Service Providers to HID by completing the relevant fields of a Format Request Form and submitting that form to HID.

"Confidential Information" means (i) the CF, and all documents provided in connection with the Program or the CF by HID to Licensee, all of which are HID Confidential Information; (ii) the terms of this Agreement; (iii) Licensee PII that is required by HID from Licensee for the Program, which PII is Licensee Confidential Information, and (iv) and any information disclosed by one Party to the other Party under this Agreement that is confidential and proprietary to such Party and that is (a) disclosed in tangible form clearly labeled as confidential or proprietary at the time of disclosure; (b) disclosed in non-tangible form, identified as confidential or proprietary at the time of disclosure and also subsequently designated as confidential or proprietary by the disclosing Party in a writing delivered to the receiving Party within thirty (30) days after the disclosure in non-tangible form.

"Credentials" means cards, tokens, key fobs, tags and other devices capable of being programmed and storing data for purposes of such programmed applications and stored data to be accessed by certain Readers.

"Intellectual Property Rights" means worldwide common law and statutory rights associated with (a) patents and patent applications; (b) works of authorship, including mask work rights, copyrights, copyright applications, copyright registrations and "moral" rights; (c) the protection of trade and



industrial secrets and confidential information; (d) other proprietary rights relating to intangible intellectual property (specifically excluding trademarks, trade names and service marks); (e) analogous rights to those set forth above; and (f) divisions, continuations, renewals, reissuances and extensions of the foregoing (as applicable) now existing or hereafter filed, issued or acquired.

“**PII**” means any information that identifies or can be used to identify or contact an individual, such as names, addresses, e-mail addresses, social security number, license number(s), photos, or other source of identification.

“**Reader**” means an RFID device or other discrete hardware, capable of accessing (reading or writing) the data or applications residing in a Credential.

“**Updates**” means any new version of a Credential Format that HID may hereafter develop and make generally available to current licensees under a Program.

1. License Grants.

HID hereby grants Licensee:

- (i) a limited, fully paid-up and royalty-free, non-exclusive, perpetual, world-wide; and
- (ii) upon prior written notice to HID, sublicensable, assignable, and transferable right and license to access, internally display, reproduce, use and distribute the Credential Formats:
 - (a) as an integral part of Licensee's and its Affiliates' facility systems;
 - (b) for the purpose of deciphering the output of the data stream from any Reader manufactured and distributed by or on behalf of or as authorized by HID; and
 - (c) as connected to an access control panel utilized to process said data stream obtained from HID Credentials programmed with the CF ((a)-(c) collectively, the "Purpose").

Notwithstanding the royalty-free character of the license granted herein, Licensee acknowledges that any Credentials which may be programmed with the CF must be purchased separately from HID or an HID-authorized distributor or reseller.

2. Restrictions. Licensee shall use the CF only in connection with the Purpose, and shall not disclose the CF to any third party other than its Authorized Service Providers. Licensee shall cause its employees and any Authorized Service Providers having access to the CF to act strictly in conformity with Licensee's obligations under this Agreement, including without limitation Licensee's obligations regarding confidentiality set forth in Section 6, below. HID agrees to release the CF only to Licensee or to Licensee's Authorized Service Providers, and to access, reproduce, distribute, and use the CF only in the provision of products or services to Licensee or on Licensee's behalf.

3. Identification of Authorized Service Providers. Licensee shall provide the names and addresses of its Authorized Service Providers to HID in writing via the HID Corporate 1000 Format Request and Authorization Form. HID shall thereupon deliver the CF to the Authorized Service Provider(s) to enable them to install the CF for use by the Licensee in connection with Licensee's participation in the Program. Subsequent additions or subtractions of Authorized Service Providers shall be done by Licensee via the HID Corporate 1000 Format Change Form.

4. Support; Updates. HID shall not provide maintenance, Updates or technical support to Licensee for the Program and CF, except as otherwise may be separately agreed to by the Parties in writing. All Updates, if any, which are provided by HID to Licensee shall be subject to this Agreement. Licensee's Authorized Service Provider(s), and not HID, shall be solely responsible for providing technical support to Licensee in connection the use of Credential Formats licensed to Licensee for use in connection with the Program.



5. Reservation of Rights. HID, or its suppliers, owns the Program and CF, and retains all rights in the Program and CF not expressly granted to Licensee in this Agreement. Licensee acknowledges that it possesses no right, title or interest in the Program or CF other than the rights expressly granted hereunder.

6. Confidentiality.

6.1 Each party will keep Confidential Information of the other Party in confidence, in the same manner as each Party maintains its own confidential information, and in no event with less than a reasonable degree of care. The Parties' confidentiality obligations shall extend for a period of three (3) years beyond the effective date of any expiration or termination of this Agreement. Each Party will limit the disclosure of Confidential Information solely to those employees and vendors having a need-to-know, provided that each is under a written confidentiality obligation similar to that which is contained in this Agreement. Except as otherwise expressly authorized herein or by a separate writing by the disclosing Party, neither Party will make any written or electronic copies of the other Party's Confidential Information. These obligations do not apply to any information, including Confidential Information, that: (a) is rightfully obtained by the receiving Party without obligation to maintain its confidentiality; (b) is or becomes known to the public through no act or omission of the receiving Party; or (c) the receiving Party develops independently without reference or use of Confidential Information of the disclosing Party.

6.2 Each Party may disclose Confidential Information to the extent required by a court of law or government regulatory body, but first the receiving Party shall provide the disclosing Party prompt written notice (to the extent legally permissible) to allow the disclosing Party reasonable opportunity to obtain a protective order against such disclosure.

6.3 Because of the unique nature of the Confidential Information, each Party agrees that the disclosing Party may suffer irreparable harm in the event the recipient fails to comply with its confidentiality obligations under this Agreement, and that monetary damages will be inadequate to compensate the disclosing Party for such breach. Accordingly, the recipient agrees that the disclosing Party will, in addition to any other remedies available to it at law or in equity, be entitled to seek injunctive relief to enforce such confidentiality obligations.

6.4 In connection with HID's and its personnel's performance of this Agreement, HID and its personnel may collect and use PII provided by or on behalf of Licensee. PII in individual or aggregate form is deemed to be Licensee's Confidential Information, and will at all times be the sole and exclusive property of Licensee. HID will not use any PII for any purpose, except as required to perform its obligations under this Agreement. HID will implement safeguards designed to limit access to the PII that are reasonably appropriate to the type of PII held, and in compliance with HID's privacy policies and all applicable regulations and laws.

7. Term. This Agreement will be in effect in perpetuity unless this Agreement is terminated earlier in the manner described in this paragraph. This Agreement may be terminated (a) at any time by either Party if the other Party is in breach of any provision of this Agreement, and fails to cure the breach within thirty (30) calendar days after receiving notice of the breach; (b) by HID immediately upon written notice at any time if Licensee is in breach of Section 2; (c) immediately upon written notice by either Party of the other Party's breach of Section 6; or, (d) by Licensee at any time for convenience by providing HID with thirty (30) days prior written notice. After expiration or termination of this Agreement, with or without cause, Licensee may not use the CF for any new Credentials, but may continue to use the CF on those Credentials that were purchased by Licensee and programmed with the CF prior to the date of such expiration or termination.



8. Names; Publicity. Except as indicated in Section 9, the Parties will not refer to the other Party by name or use the other Party's logos, trademarks, service marks or trade names or the names of any products of the other Party in advertising, promotion materials, websites or otherwise without the prior express written permission of the other Party, in each and every instance.

9. Proprietary Notices. Licensee will not alter, remove or conceal any copyright or other proprietary rights notices that may appear on or within the CF or related documentation which may be provided to Licensee by or on behalf of HID.

10. Warranties.

10.1 HID warrants that the media on which the CF is delivered will be free from defects in materials and workmanship for a period of ninety (90) days after delivery. HID's entire liability and Licensee's exclusive remedy under this warranty will be to replace defective media to Licensee. Title in all defective media which are returned to HID will transfer back to HID.

10.2 HID represents and warrants that HID has the right and power to enter into this Agreement and grant the licenses set forth herein.

10.3 HID represents and warrants that, to HID's actual knowledge, the CF and associated media, in the form and at the time delivered by HID to Licensee, contain no computer instructions that are intentionally designed to (i) disrupt, damage or interfere with use of computer or telecommunications equipment or facilities, or (ii) disrupt or corrupt the use, operation or results of any computer program.

11. Disclaimers

11.1 EXCEPT AS EXPRESSLY PROVIDED IN SECTIONS 10.1, 10.2 AND 10.3, HID DOES NOT MAKE, AND EXPRESSLY DISCLAIMS, ANY AND ALL EXPRESS OR IMPLIED WARRANTIES INCLUDING, BUT NOT LIMITED TO, THE WARRANTIES OF DESIGN, MERCHANTABILITY, OR FITNESS FOR A PARTICULAR PURPOSE. HID DOES NOT WARRANT THAT THE OPERATION OF THE PROGRAM OR CF WILL BE UNINTERRUPTED OR ERROR FREE OR THAT THE PROGRAM, THE CF, OR RELATED DOCUMENTATION WILL MEET LICENSEE'S NEEDS. EXCEPT AS OTHERWISE PROVIDED ABOVE, THE CF AND THE PROGRAM ARE PROVIDED BY HID TO LICENSEE "AS-IS."

11.2 HID DISCLAIMS ALL LIABILITY UNDER THIS AGREEMENT, INCLUDING WITHOUT LIMITATION ANY OBLIGATION TO INDEMNIFY LICENSEE OR REPLACE LICENSEE'S CARDS OR CREDENTIALS, IF THE CF IS APPLIED TO THIRD PARTY CARDS OR CREDENTIALS (I.E., CARDS OR CREDENTIALS NOT MANUFACTURED BY HID OR ITS CONTRACT MANUFACTURERS).

12. Limitations of Liability.

TO THE EXTENT PERMITTED BY APPLICABLE LAW, EXCEPT FOR DAMAGES ARISING PURSUANT TO SECTION 6. ("CONFIDENTIALITY"), BREACH OF ANY APPLICABLE LICENSE GRANT, OR ANY INDEMNITY OBLIGATION HEREIN, IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR ANY SPECIAL, INCIDENTAL, INDIRECT OR CONSEQUENTIAL DAMAGES ARISING OUT OF THIS AGREEMENT, INCLUDING BUT NOT LIMITED TO LOSS OF BUSINESS, REVENUE, PROFITS, GOODWILL, USE, DATA OR OTHER ECONOMIC ADVANTAGE AND ANY NON-ECONOMIC LOSSES, EVEN IF A PARTY HAS BEEN ADVISED IN ADVANCE OF THE POSSIBILITY OF SUCH DAMAGES. These limitations shall apply notwithstanding the failure of the essential purpose of any limited remedy specified herein.

13. IP Infringement Indemnity.

13.1 HID will defend Licensee from and against any claim brought by a third party against Licensee to the extent such claim alleges that the CF directly infringes any intellectual property rights of such third party (“Claim”), and will pay all costs, damages and expenses (including reasonable legal fees) finally awarded against any Licensee by a court of competent jurisdiction or agreed to in a written settlement agreement signed by HID arising out of such Claim; provided that Licensee: (i) gives HID prompt written notice upon learning of a Claim or potential Claim; (ii) allows HID to assume sole control of the defense of such Claim and all related settlement negotiations; and (iii) reasonably cooperates with HID, at HID’s request and expense, in the defense or settlement of the Claim, including the provision of all assistance, information and authority reasonably requested by HID. Notwithstanding the foregoing, HID shall have no liability for any claim of infringement based in whole or in part on (a) the use of a superseded or altered version of the CF to the extent that the infringement would have been avoided by the use of a current unaltered release of the Software provided by HID or its affiliates to the Licensee, (b) the modification of the CF by anyone other than HID or its authorized agents to the extent that the infringement would have been avoided but for such modification, (c) the use of the CF other than in accordance with this Agreement, or (d) the combination of the CF with other materials not provided by HID, where the combination causes the infringement and not the CF standing alone.

13.2 If the CF, or any material portion thereof, is held by a court of competent jurisdiction to infringe, or if HID believes that the CF may be subject to a Claim or held to infringe, HID shall, in its discretion and at its expense (i) replace or modify the CF so as to be non-infringing, provided that the replacement CF provides substantially similar functionality; (ii) obtain for Licensee a license to continue using the CF; or (iii) if a non-infringing CF or a license to use the CF cannot be obtained upon commercially reasonable terms, as determined solely by HID, HID may terminate the license for the affected CF and refund any fees paid by Licensee to HID for the affected CF. The indemnity provided herein states HID’s and its Affiliates entire liability and Licensees’ sole and exclusive remedy for any claim of intellectual property infringement by, or with respect to, the CF.

14. Miscellaneous.

14.1 Survival. The provisions contained in Sections 2, 5 through 9, and 11 through 14 of this Agreement will survive the termination or expiration of this Agreement in accordance with their terms.

14.2 Choice of Law. This Agreement is governed by the laws of the State of Texas and applicable U.S. Federal law, excluding conflict of law rules and principles. The United Nations Convention on Contracts for the International Sale of Goods does not apply to this Agreement. Both parties submit to personal jurisdiction in Texas and further agree that any legal action relating to this Agreement will be brought exclusively in Federal and State courts located in Travis County, State of Texas. The parties hereby waive any claim that such venue is improper or inconvenient.

14.3 Amendment. This Agreement may not be amended, waived or modified, except in a written agreement signed by both Parties.

14.4 Assignment. Each Party may assign this Agreement in connection with the sale of its business, or substantially all of its assets relating to the CF, or if it merges or consolidates to or with another party and such party agrees to be bound by the terms and conditions of this Agreement. Except as provided above, Licensee may not assign or otherwise transfer, in whole or in part, this Agreement or any of its rights or obligations under this Agreement without prior written consent of HID, which consent shall not be unreasonably withheld or delayed. HID may assign this Agreement to any of its Affiliates at any time and without notice.



14.5 Severability. If any provision of this Agreement is held invalid or unenforceable by a court of competent jurisdiction, the remainder of this Agreement will not be affected thereby.

14.6 Entire Agreement. This Agreement constitutes the complete and exclusive statement of the agreement of the parties with respect to the subject matter hereof, and supersedes all prior oral and written proposals, representations, or other communication related to the subject matter hereof.

14.7 Independent Contractors. HID and Licensee are independent contractors. Neither Party has any right or authority to assume or create any obligations of any kind or to make any representation or warranty on behalf of the other Party, whether express or implied, or to bind the other Party in any respect whatsoever.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives as of the Effective Date.

For: **HID Global Corporation**

For: **Licensee**

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____